



## **New Members Recognized with Welcome & Certificate Presentation Ceremony**

The Institute of Chartered Accountants of Nepal (ICAN) organized **New Member Welcome Program and Certificate Presentation Ceremony** at ICAN Building, ICAN Marg, Sardobato, Lalitpur on 3rd June, 2018.

The objective of program was to welcome new Chartered Accountant members in the fraternity of members of ICAN and to brief them about the opportunities available in the profession, opportunities to share achievement with their friends and family, meet fellow members and networking, share expectation of each other, find out more about the services and facilities available to members.

The program started with the welcome remarks by Vice President CA. Jagannath Upadhyay (Niraula) congratulating all new members. President CA. Prakash Jung Thapa presented membership certificates to new members and Past President CA. Prakash Lamsal felicitated them. Two new members delivered a speech regarding expectation of members and students from the Institute and measures to further strengthen the Education and Monitoring system. Past President CA. Prakash Lamsal, in his remarks mentioned that it is a duty of our members to deliver the professional services complying with applicable standards including code of ethics issued by the Institute. President, in his address, urged new members to contribute positively for the development of the profession and economic growth of the country. The program concluded with vote of thanks from Executive Director CA. Sanjay Kumar Sinha. Altogether 35 new Chartered Accountant members were felicitated during this program which is organized for the first time.

The program was also attended by Council Members CA. Suresh Devkota, CA. Ram Prabodh Shah, CA. Bhaskar Singh Lala, RA. Yadav Prasad Nyaupane, RA. Dhurba Prasad Paudel, and staffs of the Institute.

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## 8th Council Members Elected

Election for 8<sup>th</sup> Council members amongst the Chartered Accountant members has been conducted on Jestha, 2075 from 9.00 am to 5.00 pm at Yogambar Banquet, National Trading Limited compound, Singha Durbar, Kathmandu. Counting of ballots was undertaken on the same day which resulted in declaration of following CA members as Council Members:

CA. Jagannath Upadyay (Niraula)  
CA. Surendra Shrestha  
CA. Bishnu Prasad Bhandari  
CA. Krishna Prasad Acharya  
CA. Bidhyabaridhi Sigdel  
CA. Madan Krishna Sharma  
CA. Kiran Dongol  
CA. Yuddha Raj Oli  
CA. Mahesh Sharma Dhakal  
CA. Peeyush Anand

Following Registered Auditors members had already been elected unanimously on Chaitra 30, 2074;

RA. Kedar Nath Poudel  
RA. Abdul Karim Kha  
RA. Meera Shrestha  
RA. Bahadur Singh Bista

Likewise, Election for President and Vice President has been fixed on 29 Ashad, 2075.

## Congratulations to Elected 8<sup>th</sup> Council Members!!

The office of Election Officer of ICAN organized a “Congratulation, Wishes Exchange and Certificate Presentation Ceremony to Elected Members of 8<sup>th</sup> Council” on 11<sup>th</sup> June, 2018 at ICAN Head office, ICAN Marg, Satdobato, Lalitpur. The program started with the congratulating remarks of Election Officer Mr. Uddhav Chandra Shrestha who declared the election results. President CA. Prakash Jung Thapa congratulated all successful candidates and urged them to work for better ICAN. Similarly, elected members were felicitated by president CA. Prakash Jung Thapa and election officer presented the Certificates. The program was also participated by Vice President, Immediate Past President, Council Members, Executive Director, Members of ICAN and Staffs of the Institute. Similarly, representatives from Association of Chartered Accountants of Nepal (ACAN), Association of Auditors Association of Nepal (AUDAN) and other professional association also participated this ceremony.

## Increase in Number of Article Trainees

Considering the increasing number of students required to undertake articleship training, the Institute has decided to increase the number of articled trainees that a practicing-

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Chartered accountant is allowed to train under the Rule 25(1) of Nepal Chartered Accountants Rules, 2061.

The new limit of number of Articled trainees that a practicing Chartered Accountant is allowed to mentor/train at a time is given below for your information and reference.

S.N	Number of Years of Practice	Maximum Number of Articled Trainees	
1	Chartered Accountant in Practice for at least 3 years	3	
2	Chartered Accountant in Practice for at least 5 years	5	
3	Chartered Accountant in Practice for at least 7 years	7	
4	Chartered Accountant in Practice for at least 10 years	10	
5	Chartered Accountant in Practice for at least 15 years or more	12	

This provision has been introduced to address the significant growth in number of students passing CAP II level who are required to undertake mandatory articleship training under a practicing Chartered Accountant per the Rule 24 of Nepal Chartered Accountants Rules, 2061 due to overall increase in number of students perusing CA course from last few years.

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### CPE Guideline Amended

Continues Professional Education (CPE) Guidelines has been amended / updated by the Council to comply with the Statement of Members Obligation (SMO) issued by International Federation of Accountants (IFAC) as per recommendation of CPE Committee of the Institute. The amendments shall come into effect from 2075 Shrawan 01. A copy of revised updated CPE guideline shall be mailed to members separately.

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### Council pronounced NSA 2018

The Council of Institute has pronounced Nepal Standards on Auditing (NSA) 2018 which is prepared based on the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements (2016-17 Edition) of International Auditing and Assurance Standards Board (IAASB) published on 2016. These standards has been recommended by Auditing Standards Board (AuSB) for pronouncement. This version of NSA has altogether 49 Standards that includes Nepal Standards on Quality Control (NSQC), Nepal Standards on Auditing (NSA), Nepal Auditing Practice Note (NAPN), Nepal Standards on Review Engagement (NSRE), Nepal Standard on Assurance Engagement (NSAE), Amended Nepal Framework for Assurance Engagement etc.

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Nepal Standards on Auditing, 2018 has been pronounced from 2075 Shrawan 01 voluntarily and mandatory compliance from 2076 Shrawan 01 except for NSA 701 - Communicating Key Audit Matters in the Independent Auditor's Report.

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### Council approved Strategic Plan (SP) II 2018-20

The Council of the Institute has approved Strategic Plan II (2018-2020) as a road map for three years to carryout the necessary procedures and operations to make the Institute more productive and achieve its the goals. Its implementation is believed to be responsive to the changing needs of the profession that has identified the direction of the Institute into the future which shall serve as guidance for the decisions of the Council, Committees and periodic action plan of the departments of Institute.

This Strategic Plan II was presented for approval to the Council after finalizing it with series of discussion among the members of Executive Committee and other committees and considering the lessons learned from evaluation of implementation of first Strategic Plan (2014/15 – 2016/17) of Institute. On evaluating the achievement of first Strategic Plan (SP) the Institute experienced mixed results although many of the activities are of ongoing nature. Despite the various limitations in implementation of the first Strategic Plan to a large extent it has achieved the expected results and many of the activities been included in the second SP as continuity of reform process.

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### ICAN Publishes notice for ISA Assessment Test

ICAN is going to organize ISA Assessment Test in technical collaboration with ICAI on 23rd June, 2018. Registration deadline for appearing in test is 15th June, 2018. [Registration form](#) can be downloaded from Institute's Website.

### Meetings for NFRS Implementation

#### **Meeting at Insurance Board**

Institute has been working closely with Insurance Board to support the effective implementation of Nepal Financial Reporting Standards (NFRS) in Insurance Sector. In this respect a meeting was organised at IB on 23 Jestha, 2075 where President CA. Prakash Jung Thapa attended. The Insurance Board is considering amendment in its directives on format of financial statements to comply with NFRS.

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## **Interaction and Discussion Program on Draft Format of Financial Statements**

The Nepal Rastra Bank - Bank and Financial Institution Regulation Department held an interaction program on **Draft Format of Financial Statements** on 06 June 2018 at Hotel Annapurna, Durbar Marg, Kathmandu. It was discussed to introduce a Model financial statements as a guideline based on NFRS which should be used by Banks as recommendatory template. The Participants highlighted the need for cooperation and mutual understanding among three main regulators i.e. Nepal Rastra Bank (NRB), Institute of Chartered Accountants of Nepal (ICAN) including Accounting Standards Board (ASB) for the effective implementation of NFRS in Banks and financial Institutions.

The program was attended by the representatives from Institute of Chartered Accountants of Nepal (ICAN), Accounting Standards Board (ASB), Nepal Bankers Association, and the officials including Director of NRB CA. (Dr.) Subodh Kumar Karn and Deputy Governors of the organizing Nepal Rastra Bank (NRB).

## **Interaction Program on Upcoming Monetary Policy – ICAN Suggests Mandatory Branch Audit of Commercial Banks**

An interaction program on proposed Monetary Policy for fiscal year 2075/76 was held on 29 Jestha, 2075 which was organized by Nepal Rastra Bank. The program was addressed by Governor Dr. Chiranjibi Nepal who stated that the Monetary Policy will be vital for achieving targeted 8 % economic growth. The program was participated by different personalities representing Nepal Bankers Association, Nepal Chamber of Commerce and other stakeholders. Similarly, ICAN was represented by President CA. Prakash Jung Thapa where he suggested to incorporate necessary provision for **mandatory Branch Statutory Audit** in upcoming Monetary Policy, particularly in the context of increased transaction volume, assets and liability of even a single branch for increased effectiveness and timely completion of Audit.

A similar discussion program was organized at Ministry of Finance with regulators in the presence of Honourable Finance Minister Dr. Yuba Raj Khatiwada on implementation of budget and programs where President CA. Prakash Jung Thapa represented the Institute.

## **Revision of Unified Directives Started**

Nepal Rastra Bank, Central Bank of Nepal has initiated process to revise the Unified Directives, 2074 for Bank and Financial Institution (BFI) by forming a Taskforce represented by officials of Nepal Rastra Bank, Representatives of Nepal Bankers Association,

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Development Bankers Association Nepal, Nepal Financial Institution Association, and the Institute of Chartered Accountants of Nepal (ICAN). Continuing with the review process the meeting of taskforce was organized on 28 Jestha, 2075 at NRB where taskforce decided to revise the Unified Directives, 2074 by having discussion in series of meetings to give a final shape to Unified Directives, 2075.

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### June 2018 Examination Conducted

Examination of CAP I, CAP II, CAP III, CA Membership and RA upgrading have been completed on 11 June, 2018 that was started from 1<sup>st</sup> June, 2018. Altogether 2709 students have appeared the examination.

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## **International News**

### IFAC Releases 2017 Annual Review: 40 Years of Excellence

As a global advocate for integrated reporting, IFAC's 2017 annual review is designed to offer information on our financial, human, social and intellectual capitals alongside our strategic objectives, governance arrangements and financial highlights. It also describes how we strengthen organizations and enhance economies by supporting and empowering our member organizations and the global accountancy profession in the public interest.

This review is part of IFAC's 2017 suite of reporting, which also comprises our Financial Statements for the year ended December 31, 2017.

### IFRS Foundation International Conference: Final countdown to Frankfurt

The speaker line-up for the IFRS Foundation international conference in Frankfurt (28–29 June) has now been confirmed. More than half of the International Accounting Standards Board (Board) members, including its Chair, Hans Hoogervorst and Vice-Chair, Sue Lloyd, will be joined by global leaders in financial reporting from EY, Deutsche Bank, KPMG, Roche, Orange, PwC, SAP, as well as by regulators ESMA and BaFin. Together with the Foundation's technical staff, these global leaders will participate in discussions on major research and current standard-setting projects on the Board's agenda as well as on the future of financial reporting.

### KPMG fined \$4.3 million in Britain over audit of Quindell

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KPMG is fined 3.2 million pounds (\$4.3 million) on Monday for failings in its audit of Quindell Plc, after the legal services firm twice restated its accounts leading to heavy losses.

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KPMG and its employee William Smith, who was fined 84,000 pounds, both failed to ensure that Quindell's financial statements for 2013 and 2014 were free from material mis-statement, the Financial Reporting Council (FRC) said.

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